

GROWTH ANALYSIS OF SELECTED TYRES AND TUBES COMPANIES IN INDIA

¹Mr.K.Jayakumar

¹Assistant Professor,

¹Department of Commerce,

¹Rathinam College of Arts and Science, Coimbatore, India

Abstract : Transport is the life -blood of civilization and it plays a key role in the economic, social, cultural and political progress of the economy. The manufacturing of automobile tyres became an essential ancillary activity for the development of the automobile sector. The presents study aims to identify the Growth and financial strengths of the Tyres and Tubes companies in India. The study covers 13 companies listed on BSE. The study has been undertaken for the period of ten years from 2001-03 to 2010-11 and the necessary data have been obtained from CMIE data base. This study examines how Growth position is managed at Tyres and Tubes companies in India, for which required CAGR that indicate the Growth position were calculated. Statistical techniques like mean, standard deviation, co-efficient of variation have been employed in order to examine the Growth positioning. This study is of crucial importance to measure the firm's Growth indicators that the business is conducted in a rational and normal way. The study will help investors to identify the nature of Tyres and Tubes industry in India and will help to take decision regarding investment.

IndexTerms - Growth, Net worth, Total Income CAGR.

I. INTRODUCTION

India's tyre manufacturers are worried. During the period between April and September 2015, export figures of Indian tyres have fallen considerably. Passenger car tyre exports fell by 22%, while those of medium and heavy commercial vehicle (M&HCV) tyres fell by 9%. Naturally, this has led to a decline in production - light commercial vehicle tyre production fell by 14%, whilst M&HCV tyre production fell by 2%. During the same period in the previous year, both export and production figures had risen. The impact is felt even more deeply because, according to Dr Raghupati Singhania, the Chairman of ATMA (Automotive Tyre Manufacturers' Association), the "M&HCV segment accounts for 55% of the tyre industry revenues". Passenger car tyre production has also slowed from an increase of 13% (2014-15) to just seven percent between April and September 2015.

Imports have grown by more than '70% year-on-year from the fourth quarter of fiscal [year] 2015' and accounted for '20-22% of domestic consumption'. Operating margins and profits will suffer, especially for operators such as JK Tyres, which has a large share of the M&HCV segment.

The growth rate of firms depends on their ability and willingness to grow. Growth is an ongoing process for all companies. Growth is essential to a firm even if it is not among the firms major objectives. A pattern of steady growth in a business brings with it the need to find the underlying expansion of all financial requirements. Successful growth can't be achieved without providing for appropriate increases in working capital, longer-term investment and other expenditure. The ability to grow is highly correlated with its profitability, both to generate internal sources to finance growth and attract external finance. In a growing economy there is high and positive correlation between growth of a firm and its profitability. The general performance of the tyre and tubes companies can be analyzed more meaningful and objectively for a given period of time by comparing their growth pattern over the period rather than on a year-to-year basis. The best measure available for such an exercise is the compound annual growth rates.

II. REVIEW OF LITERATURE

Mohanakumar.S and Tharian George.K (2001)¹ in their article entitled "Impact of Economic Reforms on Tyre Industry", made an attempt to assess the impact of economic reforms on the automotive tyre manufacturing industry. The analysis focuses on the dominant truck and bus tyre segment. With the entry of MNCs in the post-reform period, the sector is on the verge of a major shake-up, underlining the need for nationalization of the product mix, favoring radical tyres with large-scale investment. The critical factors determining the survival of Indian tyre companies are competitiveness in price and quality, technological compatibility to the developments in vehicle geometry and the capacity to overcome the limitations imposed by the growing importance of regional economic groupings. The operation level constraints in achieving the desired competitiveness in the globalised production are too evident. The entry of the MNCS into the production sector and the emerging trends in foreign trade in truck and bus tyres underline a

¹ Mohanakumar.S, Tharian George.k (2001). "Impact of Economic Reforms on Tyre Industry", Economic and Political Weekly, Vol. 36, No. 12, March, pp.1044-1050.

tendency for the historical retreat of the Indian tyre manufacturing industry to its second phase of evolution dominated by MNCs under a different economic context.

Jasmine Kaur (2010)² in his research entitled “Impact of Recession on the Indian Tyre Industry”, has analyzed the impact of recession on the Indian tyre industry and its effect on production, exports, sales and profits of the industry and the measures undertaken to stimulate growth and competitiveness of the tyre industry. He found that the industry has been worst-hit by recession. The bus and truck tyre production has declined from 6.2% to (-7.5%) in 2008-09. The sales have also declined leading to a loss of 2.17% in the third quarter of the year 2008-09.

Franklin John.S and Muthusamy.k (2010)³ in their article entitled “Leverage, growth and profitability as determinants of dividend payout ratio – Evidence from Indian paper industry”, examined the corporate dividend policy for the Indian paper industry. In this paper, they have used linter dividend model and its extended versions for analysis of dividend determinate. Growth in sales, EPS, PER, market value to book value, cash flow, leverage liquidity and return on assets are used as independent variable unlike dividend payout is the dependent variable. The results imply that the Indian paper industry employs more leverage for narrating dividend payout ratio.

III. STATEMENT OF THE PROBLEM

India has emerged as one of the world’s most competitive tyre markets due to vast availability of raw material (natural rubber) and ultramodern production facilities. However the financial year 2009 was a quite disturbing period for the industry as the tyre demand-supply was severely hit by the recession. However, the effects did not last long and the industry posted a remarkable growth in financial year 2010. Despite the global financial crisis, the tyre industry continues to tread through the success path and looks forward positively in the long term too. Based on the above issues the researcher has investigated the following;

- Whether the Growth position of Tyres and Tubes Companies is stable or not?

IV. OBJECTIVE OF THE STUDY

- To analyze the Growth Position of the Tyres and Tubes industry in India

V. RESEARCH METHODOLOGY

Sources of data and Sampling design

Secondary data is used for the study. The required data for the study is collected and compiled from “proress” database of Centre for Monitoring Indian Economy (CMIE) for the period from 2001-2002 to 2010-2011, which is a reliable and empowered corporate database. Also needs collected from the business world, business India, books, journals, library and various news papers. The sample companies are selected on the basis of convenient sampling. A sample of companies has been selected on the basis of Availability of data for 10 years and Selected companies are listed in the BSE. Thirteen companies are selected for this study.

Period of the study

The study is sequential and covers a period of ten years from the financial year 2001-2002 to 2010-2011.

Techniques of analysis

For the purpose of this analysis accounting and statistical techniques have been used. To analyze the Growth position of the study, The statistically techniques used are Mean, Standard deviation, Co-efficient of variance and CAGR.

Compound annual growth rate (CAGR) is a business and investment term that is used to refer to the **mean annual growth rate** of an investment over a certain period of time, usually longer than one year. It can be explained as a measure of growth of an investment based on the assumption that the investment grows in terms of value on a steady rate, compounded annually. The formula for calculating compound annual growth rate is:

$$\text{CAGR} = (\text{FV} / \text{PV})^{(1/n)} - 1 \quad (\text{OR})$$

using the ^ symbol for 'to the power of'

$$\text{CAGR} = [(\text{FV} / \text{PV}) ^ (1 / n)] - 1$$

VI. ANALYSIS AND INTERPRETATION

Measures of Growth

². **Jasmine Kaur (2010)**. “Impact of Recession on the Indian Tyre Industry”, International Research Journal of Finance and Economics, Issue 45, pp.108-114.

³. **Franklin John.S and Muthusamy.K (2010)**. “Leverage, Growth and Profitability as determinants of Dividend Payout Ratio – Evidence from Indian Paper Industry”, Asian Journal of Business Management Studies1 (1), pp.26-30.

The following financial factor is considered for the growth position of selected Tyres and Tubes companies in India is analyzed with the help of the CAGR method.

YEA R	Apoll o Tyres Ltd	Balkris hna Industri es Ltd	Ceat Ltd	Falc on Tyre s Ltd	Goody ear India Ltd	Govi nd Rubber Ltd	Inda g Rubber Ltd	JK tyre & Industr ies Ltd	Kesora m Industr ies Ltd	MRF Ltd	Monot ona Tyres Ltd	TVS Srichakra Ltd	Vams hi Rubber Ltd
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- Net worth
- Net profit
- Sales
- Total income
- Net fixed assets
- Total capital

Table 6.1
Net worth of selected Tyres and Tubes companies during the Period from 2000-01 to 2010-11

2001-02	299.43	69.68	309.91	21.66	76.69	10.52	9.04	413.00	323.38	596.39	7.09	33.55	3.88
2002-03	409.51	86.32	319.02	25.28	61.79	0.42	8.63	422.55	325.61	704.20	6.82	39.02	4.61
2003-04	567.39	108.87	334.43	25.94	64.78	0.38	9.14	410.59	337.09	723.41	7.42	44.02	4.94
2004-05	572.90	157.97	296.91	26.22	72.88	0.65	9.41	366.22	367.75	754.05	8.10	46.82	4.30
2005-06	630.45	287.50	349.00	28.22	84.63	2.34	9.00	390.72	408.30	824.29	9.20	48.95	4.33
2006-07	975.56	347.45	378.64	29.93	117.28	4.35	13.21	359.75	647.90	986.15	9.59	52.99	5.01
2007-08	1230.00	411.10	499.80	33.38	141.31	9.60	20.25	439.81	976.61	1120.79	19.90	59.14	6.63
2008-09	1352.44	467.83	483.69	58.92	157.31	11.04	26.94	439.81	1325.99	1361.42	28.85	64.98	7.19
2009-10	1723.47	660.77	628.71	101.58	211.51	14.29	36.06	586.08	1536.86	1690.68	29.93	85.83	8.74
2010-11	1892.43	831.78	649.14	123.66	267.56	19.36	44.38	630.94	1297.36	2297.77	27.27	113.84	10.60
Mean	1755.20	342.93	424.93	47.48	125.57	7.30	18.61	445.95	754.69	1105.92	15.42	58.91	6.02
SD	560.87	256.65	132.41	36.23	69.50	6.64	13.03	90.46	483.91	538.80	9.92	24.31	2.23
CV	31.95	74.84	31.16	76.30	55.34	91.00	70.02	20.28	64.12	48.71	64.32	41.26	36.99
CAGR	20.25	28.14	7.67	19.03	13.31	6.29	17.25	4.33	14.90	14.44	14.42	13.00	10.57

(Rs.in crores)

(Sources: compiled and calculated from the data published in CMIE)

Table 6.1 shows the Net worth of the selected Tyres and Tubes industries in India. The Net worth shows a fluctuating trend during the study period. The value of the firm depends on its net worth. In fact the increase in net worth increases the value of the firm. Balkrishna industries Ltd has the highest Compound Annual Growth Rate of net worth 28.14 percent, followed by Apollo tyres Ltd at 20.25 percent. JK tyre & industries Ltd has the lowest Compound annual growth rate of net worth 4.33 percent. This has been due to low reserves and surplus.

Apollo tyres Ltd has the highest mean of net worth at Rs.1755.20 crores, followed by MRF Ltd at Rs.1105.92 crores. Vamshi rubber Ltd has the lowest mean of net worth at Rs.6.02 crores.

Apollo tyres ltd has the highest Standard deviation of net worth at Rs.560.87 crores, followed by MRF Ltd at Rs.538.80 crores and Vamshi rubber Ltd has the lowest standard deviation of net worth at Rs.2.23 crores.

Govind rubber Ltd has the highest co-efficient of variation of net worth at 91.00 percent, followed by Balkrishna industries Ltd at 75.00 per cent. JK tyre & industries Ltd has the lowest co-efficient of variation at 20.28 per cent and was found to have consistency of net worth more than the other Tyre and Tubes companies.

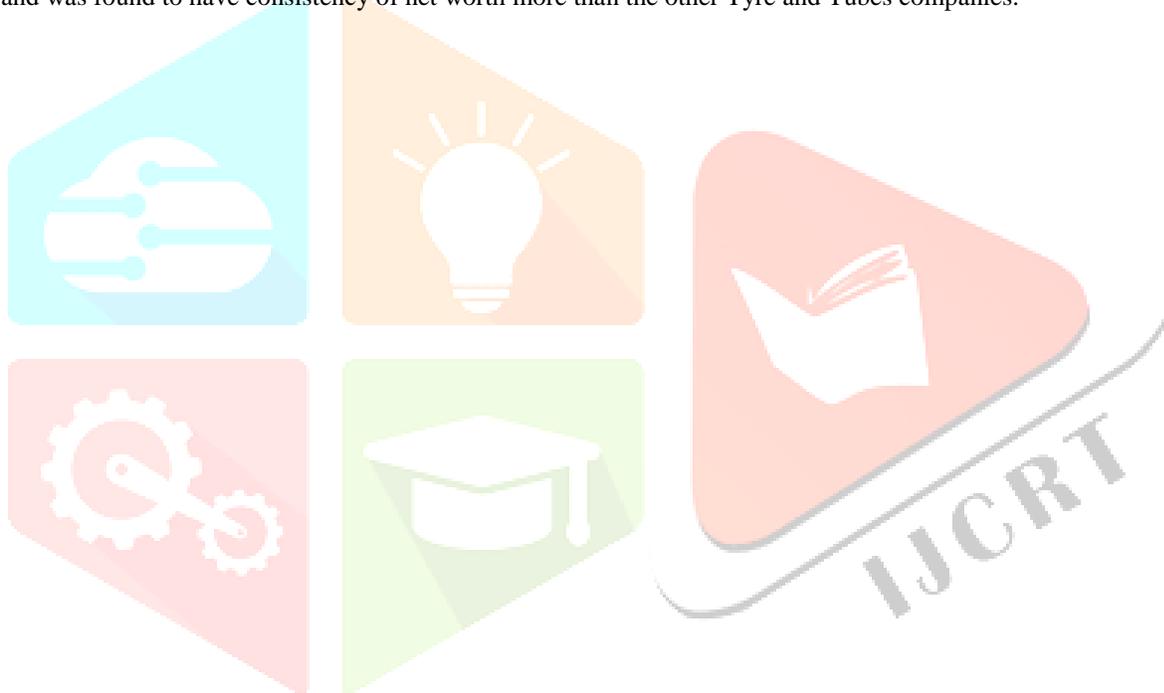


Table 6.2
Net profit of selected Tyres and Tubes companies during the period from 2000-01 to 2010-11

(Rs.in crores)

YEAR	Apollo Tyres Ltd	Balkrishna Industries Ltd	Ceat Ltd	Falcon Tyres Ltd	Goodyear India Ltd	Govind Rubber Ltd	Indag Rubber Ltd	JK tyre & Industries Ltd	Kesoram Industries Ltd	MRF Ltd	Monotona Tyres Ltd	TVS Srichakra Ltd	Vamshi Rubber Ltd
2001-02	4.11	5.72	2.40	3.52	36.98	30.99	1.21	20.93	41.37	78.46	2.12	6.16	0.15
2002-03	120.02	20.83	18.41	5.20	-12.69	-18.10	-0.41	23.34	28.51	117.38	0.84	7.85	0.71
2003-04	72.29	32.75	14.06	1.62	0.05	-5.11	0.51	12.19	63.04	28.80	0.90	7.54	0.30
2004-05	67.63	63.15	-37.54	0.92	5.18	0.26	0.27	16.48	33.51	40.31	0.98	4.22	-0.66
2005-06	78.17	69.08	0.52	3.63	8.80	1.28	-0.41	17.05	45.71	79.91	1.41	3.65	0.02
2006-07	113.42	83.09	39.25	3.96	45.12	2.00	4.21	66.73	265.68	171.78	0.71	6.28	0.69
2007-08	219.30	105.57	148.60	5.64	40.23	2.20	8.28	19.05	383.35	144.56	0.79	9.28	1.87
2008-09	108.08	70.30	-16.11	30.02	32.19	1.44	7.62	19.05	378.74	253.03	1.43	8.97	0.99
2009-10	414.99	208.73	161.04	51.63	73.09	3.27	11.57	163.18	237.34	353.98	1.58	29.82	1.95
2010-11	198.25	185.66	22.28	28.98	74.81	5.07	10.75	61.32	210.21	619.42	2.49	39.17	2.25
Mean	253.87	84.49	35.29	13.51	30.38	2.33	4.36	41.93	168.75	188.76	1.33	12.29	0.83
SD	115.25	66.62	66.51	17.27	29.88	12.06	4.78	46.76	143.94	181.31	0.60	12.04	0.94
CV	45.39	78.85	188.45	127.81	98.36	517.56	109.67	111.51	85.29	96.05	45.50	97.97	114.22
CAGR	47.35	41.62	24.96	23.47	7.30	-16.56	24.41	11.35	17.65	22.95	1.62	20.32	31.10

(Sources: compiled and calculated from the data published in CMIE)

Table 6.2 reveals the Net profit of the selected Tyres and Tubes companies in India. The net profit shows a fluctuating trend during the study period. When a company's net profit is low or negative, a many problems could be to blame, ranging from decreasing sales to poor customer experience to inadequate expense management. It indicates the assets value of the firm. Apollo tyres Ltd has the highest Compound Annual Growth Rate of net profit 47.35 percent, followed by Balkrishna industries Ltd 41.62 percent. Govind rubber Ltd has the negative Compound Annual Growth Rate of net profit 16.56 percent. This has been due to high total expenses.

Apollo tyres Ltd has the highest mean of net profit at Rs.253.87 crores, followed by Kesoram industries Ltd at Rs.168.75 crores. Vamshi rubber Ltd has the lowest mean of net profit at Rs.0.83 crores.

MRF rubber ltd has the highest standard deviation of net profit at Rs.181.31 crores, followed by Kesoram industries Ltd at Rs.143.94 crores. Monotona tyres Ltd has the lowest standard deviation of net profit at Rs.0.60 crores and it is found to be stable in net profit.

Govind rubber Ltd has the highest co-efficient of variation of net profit at 517.56 percent; followed by Ceat Ltd at 188.45 per cent and the Apollo tyres Ltd shows the consistency of net profit more than the other companies because the lowest co-efficient of variation is maintained by the Apollo tyres Ltd at 45.39 percent.

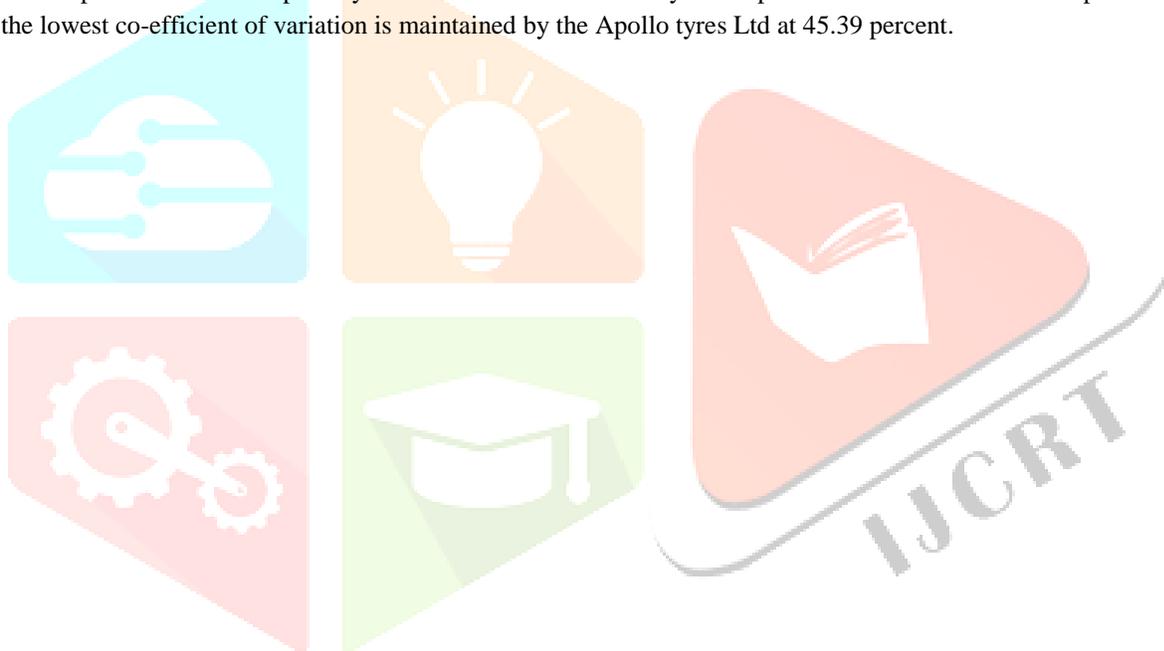


Table 6.3
Sales of selected Tyres and Tubes companies during the Period from 2000-01 to 2010-11

YEAR	Apollo Tyres Ltd	Balkrishna Industries Ltd	Ceat Ltd	Falcon Tyres Ltd	Goodyear India Ltd	Govind Rubber Ltd	Indag Rubber Ltd	JK tyre & Industries Ltd	Kesoram Industries Ltd	MRF Ltd	Monotona Tyres Ltd	TVS Srichakra Ltd	Vamshi Rubber Ltd



(Rs.in crores)

2001-02	1714.40	223.45	1361.98	145.36	572.81	241.58	21.66	2361.17	1349.44	2232.96	44.29	186.23	17.00
2002-03	2029.34	312.96	1522.55	183.30	662.53	204.79	26.80	2060.07	1405.53	2600.44	61.30	239.39	22.57
2003-04	2318.62	381.02	1655.31	181.47	657.29	186.97	33.87	2269.05	1589.34	3037.99	88.32	230.36	29.73
2004-05	2663.65	502.76	1787.87	221.00	718.61	177.75	34.72	2411.03	1728.88	3454.78	107.19	225.99	31.09
2005-06	3009.73	632.96	1958.08	257.19	758.70	209.62	43.44	2992.64	1901.10	4255.84	137.52	331.66	28.30
2006-07	3782.18	899.60	2397.25	323.66	923.51	243.95	61.44	3232.66	2540.00	5054.20	142.91	476.29	46.32
2007-08	4256.41	1003.81	2611.41	498.54	982.79	250.84	74.05	5531.13	3463.49	5720.09	190.81	520.99	51.16
2008-09	4560.57	1261.60	2622.23	854.85	1006.26	259.82	76.27	5531.13	4326.36	6150.98	209.28	643.89	54.90
2009-10	5439.95	1402.40	3001.83	849.54	1072.03	301.38	111.35	3983.12	5051.51	8091.47	138.06	755.25	59.29
2010-11	6026.44	2018.83	3779.67	978.19	1383.10	349.27	150.02	5259.38	5750.72	10644.86	186.75	1186.81	72.61
Mean	3580.13	863.94	2269.82	449.31	873.76	242.60	63.36	3563.14	2910.64	5124.36	130.64	479.69	41.30
SD	1473.67	570.92	757.35	324.29	247.21	52.72	41.18	1411.86	1631.66	2652.43	55.59	315.69	18.13
CV	41.16	66.08	33.36	72.17	28.29	21.73	64.98	39.62	56.05	51.76	42.55	65.81	43.91
CAGR	13.40	24.62	10.75	21.00	9.22	3.76	21.35	8.34	15.60	16.90	15.48	20.35	15.63

(Sources: compiled and calculated from the data published in CMIE)

It is exhibited in the table 6.3 that the sales of the selected Tyres and Tubes companies in India. The net profit shows an increasing trend during the study period. An increase in the sales year after year indicates the growth of the company. Balkrishna industries Ltd has the highest Compound Annual Growth Rate of sales 24.63 percent, followed by Indag rubber Ltd 21.35 per cent. Govind rubber Ltd has the lowest Compound Annual Growth Rate of sales 3.76 per cent. This has been due to poor customer experience to inadequate expense management.

Apollo tyres Ltd has the highest mean of sales at Rs.3580.13 crores, followed by JK tyre & industries Ltd at Rs.3563.14 crores, followed by JK tyre & industries Ltd at Rs.3563.14 crores. Vamshi rubber Ltd has the lowest mean of sales at Rs.41.30 crores.

MRF Ltd has the highest standard deviation of sales at Rs.2652.43, followed by Kesoram industries Ltd Rs.1631.66 crores. The lowest standard deviation is maintained by Vamshi rubber Ltd at Rs.18.13 crores and it is found to be stable in sales.

Falcon tyres Ltd has the highest co-efficient of variation at 72.17 per cent. Govind rubber Ltd has the lowest at 21.73 per cent and was found to have consistency of sales more than the other Tyres and Tubes companies in India.

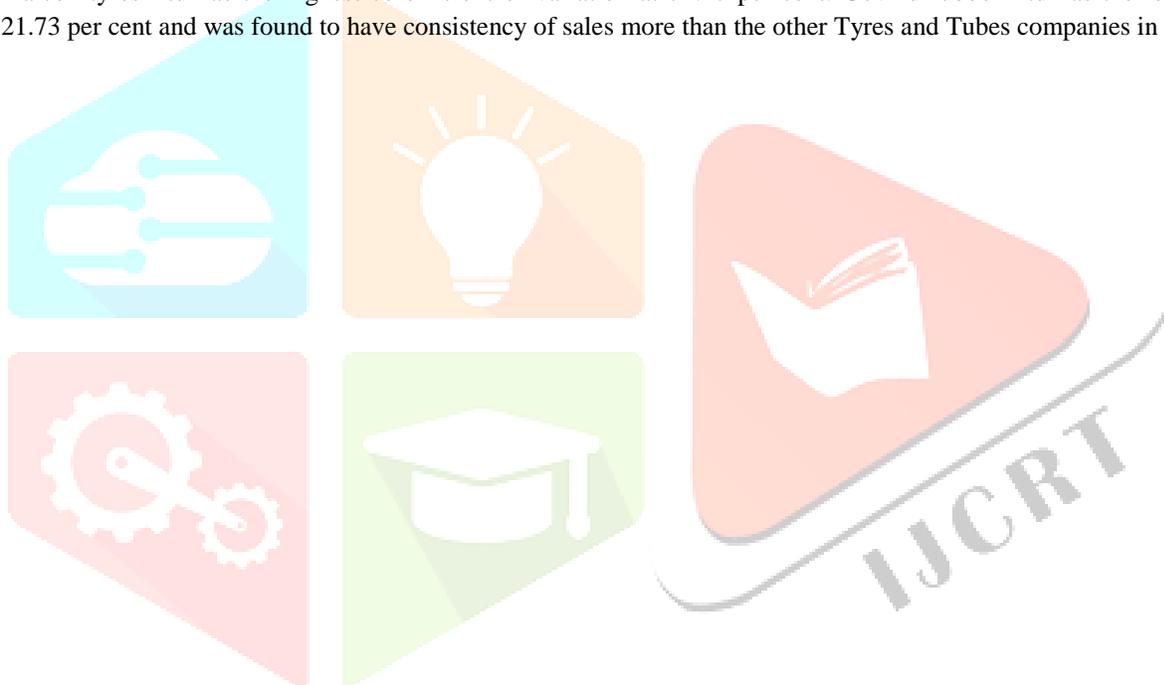


Table 6.4
Total income of selected Tyres and Tubes companies during the Period from 2000-01 to 2010-11

(Rs.in crores)

YEAR	Apollo Tyres Ltd	Balkrishna Industries Ltd	Ceat Ltd	Falcon Tyres Ltd	Goodyear India Ltd	Govind Rubber Ltd	Indag Rubber Ltd	JK tyre & Industries Ltd	Kesoram Industries Ltd	MRF Ltd	Monotona tyres ltd	TVS SrichakraLtd	Vamshi Rubber Ltd
2001-02	1724.52	227.21	1458.21	146.60	576.00	254.71	23.03	2392.32	1374.13	2245.86	44.31	187.15	17.02
2002-03	2079.71	316.25	1574.99	183.90	666.29	206.97	27.35	2073.70	1418.01	2686.06	61.38	242.05	22.76
2003-04	2336.95	386.53	1759.59	182.38	662.23	188.69	34.49	2285.96	1619.24	3047.97	88.48	232.56	29.76
2004-05	2716.22	514.28	1826.94	221.64	724.16	179.72	35.18	2430.35	1781.75	3485.85	107.37	227.75	31.23
2005-06	3030.10	639.29	1977.01	258.01	765.04	210.87	43.84	3013.63	1939.23	4315.61	137.58	333.62	28.40
2006-07	3807.99	911.38	2421.78	325.61	939.71	244.16	63.91	3252.76	2569.93	5066.14	143.13	477.29	46.37
2007-08	4275.59	1021.16	2713.56	501.58	991.40	250.95	75.51	5554.56	3484.61	5747.40	191.21	524.28	51.24
2008-09	4587.58	1266.83	2673.33	855.47	1019.12	260.41	76.65	5554.56	4419.15	6163.26	209.83	644.32	55.18
2009-10	5479.29	1431.21	3034.11	850.42	1075.67	301.56	112.23	4001.74	5152.35	8118.81	140.02	759.16	59.68
2010-11	6075.54	2034.62	3812.27	980.61	1397.56	350.41	150.37	5283.66	5912.45	11075.07	188.01	1193.18	72.83
Mean	3611.35	874.88	2325.18	450.62	881.72	244.85	64.26	3584.32	2967.09	5195.20	131.13	482.14	41.45
SD	1478.12	576.04	745.29	324.54	250.44	52.41	41.11	1413.49	1673.32	2742.25	55.87	316.96	18.21
CV	40.93	65.84	32.05	72.02	28.40	21.41	63.97	39.44	56.40	52.78	42.60	65.74	43.93
CAGR	1.27	2.22	0.97	1.92	0.89	0.32	1.89	0.80	1.47	1.61	1.46	1.87	1.46

(Sources: compiled and calculated from the data published in CMIE)

Table 6.4 shows the total income of the selected Tyres and Tubes industries in India. The total income shows a fluctuating trend during the study period. It is a determining an individual or organization's ability to make payments on a debt. Balkrishna industries Ltd has the highest Compound Annual Growth Rate of total income 2.22 per cent, followed by falcon tyres Ltd at 1.92 per cent. Govind Rubber Ltd has the lowest Compound annual growth rate of total income 0.32 per cent. This has been due to an increasing total expense.

MRF ltd has the highest mean of total income at Rs.5195.20 crores, followed by Apollo tyres Ltd at Rs. 3611.35 crores. Vamshi Rubber Ltd has the lowest mean of total income at Rs.41.45 crores.

MRF Ltd has the highest Standard deviation of total income at Rs. 2742.25 crores, followed by Kesoram industries Ltd at Rs. 1673.32 crores and Vamshi Rubber Ltd has the lowest standard deviation of total income at Rs.18.21 crores.

Falcon tyres ltd has the highest co-efficient of variation of total income at 72.02 per cent, followed by Balkrishna industries Ltd at 65.84 per cent. Govind Rubber Ltd has the lowest co-efficient of variation at 21.41 per cent and it was found to have consistency of more than the other Tyre and Tubes companies.

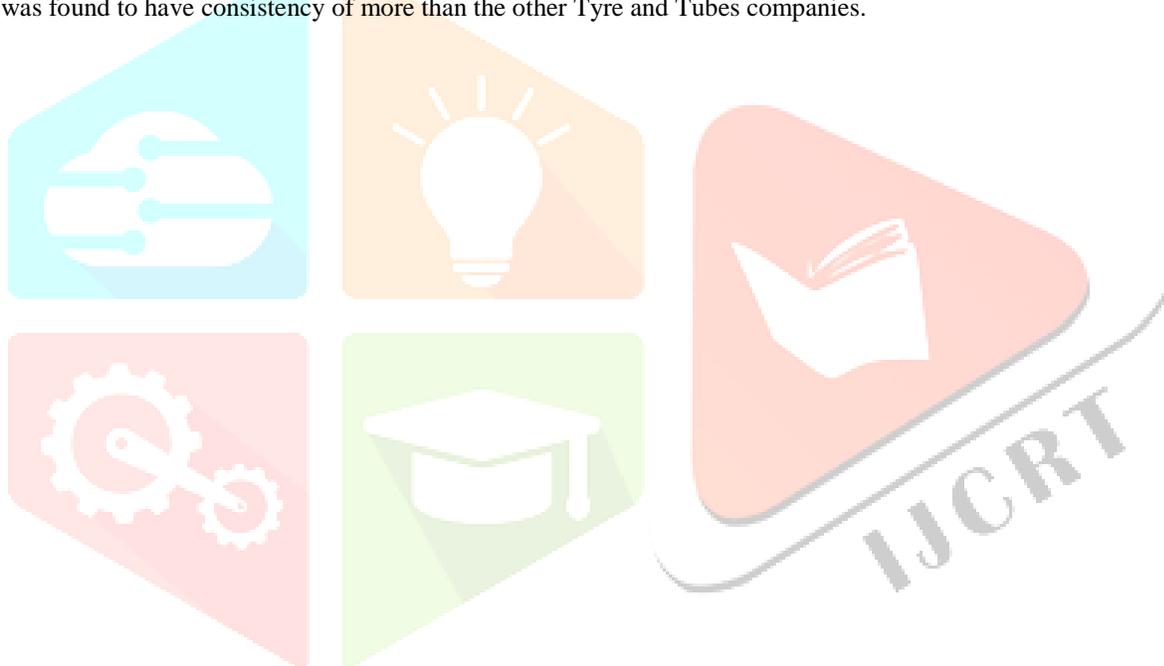


Table 6.5
Net fixed assets of selected Tyres and Tubes companies during the Period from 2000-01 to 2010-11

(Rs.in crores)

YEAR	Apollo Tyres Ltd	Balkrishna Industries Ltd	Ceat Ltd	Falcon Tyres Ltd	Goodyear India Ltd	Govind Rubber Ltd	Indag Rubber Ltd	JK tyre & Industries Ltd	Kesoram Industries Ltd	MRF Ltd	Monotona tyres ltd	TVS Srichakra Ltd	Vamshi Rubber Ltd
2001-02	411.84	100.25	474.72	25.86	126.27	58.27	3.48	1302.30	620.63	384.79	14.25	34.02	8.29
2002-03	432.36	132.68	516.96	28.16	119.01	36.09	3.22	1264.83	571.36	398.47	21.05	33.94	8.05
2003-04	648.08	155.55	498.19	27.61	110.79	28.38	3.01	1207.11	562.02	419.22	22.45	31.84	7.73
2004-05	750.13	219.52	529.43	27.29	103.10	29.01	3.44	1173.98	518.61	536.81	23.98	36.20	7.48
2005-06	840.69	259.74	721.72	26.55	101.40	27.78	13.43	1224.19	534.97	649.67	36.99	50.84	7.10
2006-07	950.85	399.36	700.01	127.92	101.38	27.51	13.32	1198.80	954.39	656.75	101.59	58.97	7.06
2007-08	971.00	424.46	786.61	133.70	105.00	28.97	12.85	1168.88	1084.25	866.55	98.44	62.81	8.88
2008-09	1143.35	534.57	775.37	183.98	115.24	31.23	13.71	1168.88	1804.37	933.56	88.91	71.53	10.26
2009-10	1610.22	614.89	768.93	184.99	120.32	33.01	18.43	1352.77	3431.82	1328.91	93.70	112.15	10.12
2010-11	2381.08	687.44	1361.09	194.97	138.51	33.61	21.18	1416.31	3691.72	1971.38	175.10	154.56	9.90
Mean	1013.96	352.85	713.30	96.10	114.10	33.39	10.61	1247.81	1377.41	814.61	67.65	64.69	8.49
SD	594.55	210.45	259.86	75.75	12.23	9.20	6.81	85.11	1218.30	501.44	52.38	39.97	1.24
CV	58.63	59.64	36.43	78.81	10.71	27.54	64.20	6.82	88.44	61.55	77.42	61.79	14.55
CAGR	19.18	21.23	11.10	22.38	0.92	-0.05	19.79	0.84	19.51	17.74	28.51	16.34	1.79

(Sources: compiled and calculated from the data published in CMIE)

Table 6.5 reveals the Net fixed asset of the selected Tyres and Tubes companies in India. The net fixed assets show a fluctuating trend during the study period. It indicates that the how effectively and efficiently the company is using its assets to generate earnings. Monotona tyres Ltd has the highest Compound Annual Growth Rate of net fixed assets 28.51 per cent, followed by Falcon tyres Ltd 22.38 per cent. Govind Rubber Ltd has the negative Compound Annual Growth Rate of net fixed assets 0.05 per cent. This has been due to the total assets is not satisfaction of the firm.

Kesoram industries Ltd has the highest mean of net fixed assets at Rs. 1377.41crores; followed by JK tyres & industries Ltd at Rs. 1247.81crores. Vamshi Rubber Ltd has the lowest mean of net fixed assets at Rs. 8.49crores.

Kesoram industries Ltd has the highest standard deviation of net fixed assets at Rs. 1218.30 crores, followed by Apollo tyres Ltd at Rs. 594.55crores. Vamshi tyres Ltd has the lowest standard deviation of net fixed at Rs. 1.24 crores and it is found to be stable in net fixed assets.

Kesoram industries Ltd has the highest co-efficient of variation of net fixed assets at 88.44per cent, followed by Falcon tyres Ltd at 78.81per cent and the Apollo tyres Ltd shows the consistency of net fixed assets more than the other companies because the lowest co-efficient of variation is maintained by the JK tyre & industries Ltd at 6.82 per cent.

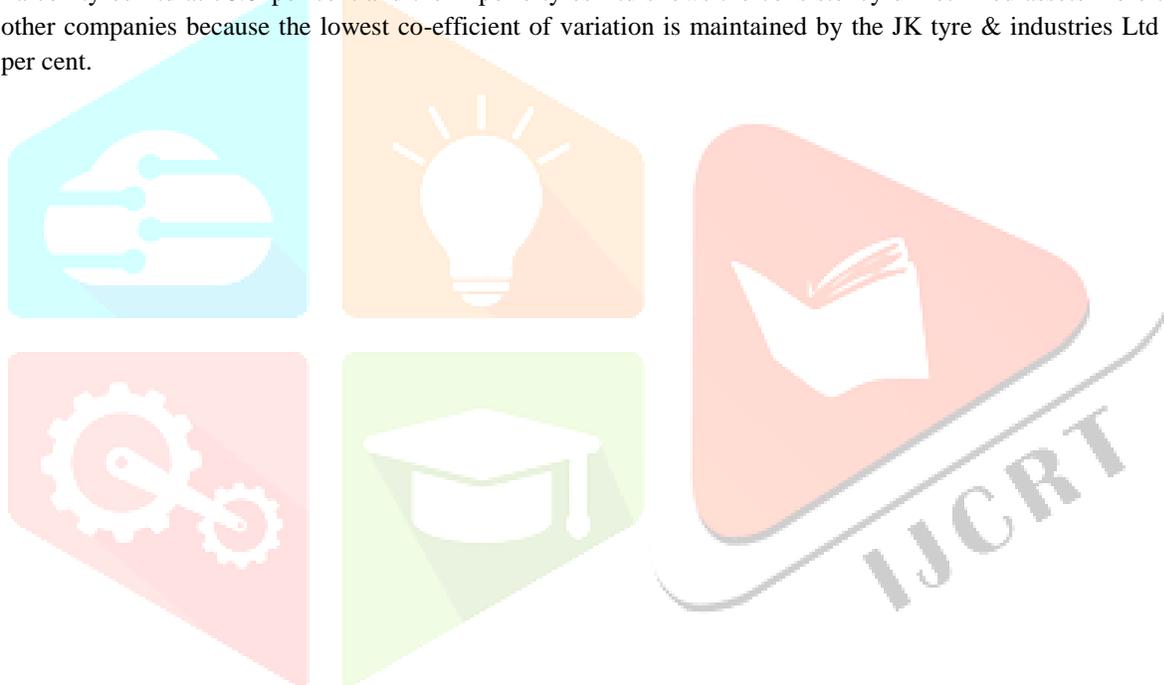


Table 6.6
Total capital of selected Tyres and Tubes companies during the Period from 2000-01 to 2010-11

(Rs.in crores)

YEAR	Apollo Tyres Ltd	Balkrishna Industries Ltd	Ceat Ltd	Falcon Tyres Ltd	Goodyear India Ltd	Govind Rubber Ltd	Indag Rubber Ltd	JK tyre & Industries Ltd	Kesoram Industries Ltd	MRF Ltd	Monotona tyres ltd	TVS Srichakra Ltd	Vamshi Rubber Ltd
2001-02	36.32	6.19	35.09	6.00	23.07	7.68	5.25	37.46	48.16	4.24	5.4	7.66	4.21
2002-03	36.32	6.19	35.09	5.68	23.07	7.68	5.25	37.46	45.93	4.24	5.4	7.66	4.21
2003-04	38.34	12.38	35.09	5.68	23.07	20.75	5.25	37.46	45.74	4.24	5.4	7.66	4.21
2004-05	38.34	12.38	35.1	5.68	23.07	20.75	5.25	37.46	45.74	4.24	5.4	7.66	4.21
2005-06	38.34	19.33	45.68	5.68	23.07	20.75	5.25	30.79	45.74	4.24	5.4	7.66	4.21
2006-07	58.13	19.33	45.68	5.68	23.07	20.89	5.25	30.79	45.74	4.24	5.4	7.66	4.21
2007-08	53.42	19.33	34.24	5.68	23.07	21.85	5.25	41.06	45.74	4.24	6.4	7.66	4.21
2008-09	50.41	19.33	34.24	17.04	23.07	21.85	5.25	41.06	45.74	4.24	6.4	7.66	4.21
2009-10	50.41	19.33	34.24	17.04	23.07	21.84	5.25	41.06	45.74	4.24	7.2	7.66	4.21
2010-11	50.41	19.33	40.29	17.04	23.07	21.84	5.25	41.06	45.74	4.24	7.2	7.66	4.21
Mean	45.04	15.31	37.47	9.12	23.07	18.59	5.25	37.57	46.00	4.24	5.96	7.66	4.21
SD	8.27	5.58	4.67	5.47	0.00	5.77	0.00	3.95	0.76	0.00	0.77	0.00	0.00
CV	18.35	36.46	12.47	59.94	0.00	31.05	0.00	10.53	1.65	0.00	12.93	0.00	0.00
CAGR	3.33	12.06	1.39	11.00	0.00	11.02	0.00	0.92	-0.51	0.00	2.92	0.00	0.00

(Sources: compiled and calculated from the data published in CMIE)

It is exhibited in the table 6.6 that the total capital of the selected Tyres and Tubes companies in India. The total capital shows a fluctuating trend during the study period. Total capital signifies how effective a company is at turning capital into profits. Balkrishna industries Ltd has the highest Compound Annual Growth Rate of total capital 12.06 per cent, followed by Govind Rubber Ltd 11.02 per cent. Kesoram industries Ltd has the negative Compound Annual Growth Rate of total capital 0.51 per cent.

Kesoram industries ltd has the highest mean of Total capital at Rs. 46.00 crores, followed by Apollo tyres Ltd at Rs. 45.04 crores. Vamshi Rubber Ltd has the lowest mean of Total capital at Rs. 4.21 crores.

Apollo tyres Ltd has the highest standard deviation of total capital at Rs. 8.27, followed by Govind Rubber ltd Rs. 5.77 crores. Vamshi Rubber ltd has the lowest standard deviation of total capital at Rs.0.00crores.

Falcon tyres Ltd has the highest co-efficient of variation at 59.94 per cent. Vamshi Rubber Ltd has the lowest at 0.00 per cent.



Table 6.7
Total assets of selected Tyres and Tubes companies during the Period from 2000-01 to 2010-11

(Rs.in crores)

YEAR	Apollo Tyres Ltd	Balkrishna Industries Ltd	Ceat Ltd	Falcon Tyres Ltd	Goodyear India Ltd	Govind Rubber Ltd	Indag Rubber Ltd	JK tyre & Industries Ltd	Kesoram Industries Ltd	MRF Ltd	Monotona tyres ltd	TVS Srichakra Ltd	Vamshi Rubber Ltd
2001-02	1047.13	203.78	1564.84	66.97	338.54	185.52	19.73	2321.72	1170.01	1354.05	22.25	87.44	15.71
2002-03	1181.31	270.11	1637.93	80.28	336.53	165.72	19.80	2334.52	1153.16	1515.08	37.18	101.59	16.93
2003-04	1599.74	324.81	1720.49	83.79	335.23	120.75	20.98	2273.93	1142.87	1686.12	44.24	97.02	18.59
2004-05	1797.98	465.74	1733.01	96.62	349.96	127.15	20.79	2329.91	1234.73	1892.65	61.64	111.27	18.05
2005-06	2127.58	747.04	1425.19	106.70	366.51	139.63	30.79	2351.16	1394.33	2132.13	80.94	172.54	18.93
2006-07	2573.56	970.30	1430.16	324.05	400.85	163.31	35.47	2419.46	2009.08	2534.73	139.25	232.70	22.95
2007-08	2845.90	1271.86	1575.64	377.69	400.20	177.53	40.88	2623.61	2978.84	3382.50	201.33	284.07	28.92
2008-09	3162.62	1273.67	1671.92	454.67	377.66	173.55	40.96	2623.61	4315.88	2770.63	218.38	286.48	26.80
2009-10	4461.68	1573.09	2101.85	564.34	491.56	166.96	65.73	2801.20	6100.75	4011.60	224.17	433.75	31.58
2010-11	5821.15	2099.37	2814.75	848.60	602.26	215.20	70.45	3538.87	6793.55	6342.45	213.88	648.86	32.80
Mean	2661.87	919.98	1767.58	300.37	399.93	163.53	36.56	2561.80	2829.32	2762.19	124.33	245.57	23.13
SD	1508.20	631.99	414.55	264.46	85.26	28.27	18.64	384.45	2168.75	1515.29	83.82	180.29	6.41
CV	56.66	68.70	23.45	88.04	21.32	17.29	50.99	15.01	76.65	54.86	67.42	73.42	27.71
CAGR	18.71	26.27	6.05	28.91	5.93	1.50	13.57	4.31	19.23	16.70	25.40	22.19	7.64

(Sources: compiled and calculated from the data published in CMIE)

Table 6.7 shows the Total assets of the selected Tyres and Tubes industries in India. The total assets show a fluctuating trend during the study period. It indicates that the ability of a company to use its assets to efficiently generate sales. Folcon tyres Ltd has the highest Compound Annual Growth Rate of total assets 28.91per cent, followed by Balkrishna industries Ltd at 26.27 per cent. Govind Rubber Ltd has the lowest Compound annual growth rate of total assets 1.50 per cent.

Kesoram industries ltd has the highest mean of total assets at 2829.3crores, followed by MRF tyres Ltd at Rs. 2762.19crores. Vamshi Rubber Ltd has the lowest mean of total assets at Rs. 23.13crores.

Kesoram industries Ltd has the highest Standard deviation of total assets at Rs. 2168.75 crores, followed by MRF Ltd at Rs.1515.29 crores and Vamshi Rubber Ltd has the lowest standard deviation of total assets at Rs. 6.41crores.

Falcon tyres Ltd has the highest co-efficient of variation of total assets at 88.04per cent, followed by Kesoram industries Ltd at 76.65 per cent. JK tyre & industries Ltd has the lowest co-efficient of variation at 15.01per cent and was found to have consistency of more than the other Tyre and Tubes companies.

VII. SUGGESTIONS

- Govind rubber Ltd and Kesoram Industries Ltd should enhance the Net Profit and reduce the operating and selling expenses.
- JK tyre & industries Ltd , Govind rubber Ltd and Kesoram Industries Ltd should augment the Net worth and these companies have to change the capital equipment investment.

VIII. CONCLUSION

The Growth and financial health plays a significant role in the success of a company. The analysis practically reveals Net worth, Net profit, Sales, Total income, Net fixed assets, Total capital and Total assets have significant effect on the Growth position of the selected Tyres and Tubes companies in India during the study period. However the Growth position of selected Tyres and Tubes companies in India during the study period is satisfactory. In this study, the Growth performance of Apollo Tyres Ltd , MRF Ltd and Balkrishna industries Ltd was found to be good compare when the other companies. The study will help investors to identify the nature of Tyres and Tubes industry in India and will help to take decision regarding investment.

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